

**IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK**

**Securities and Exchange Commission,**

*Plaintiff,*

**v.**

**Case No. 16-cv-9947 (VEC)**

**Iat Hong, Bo Zheng, and Hung Chin,**

*Defendants,*

**and**

**Sou Cheng Lai,**

*Relief Defendant.*

**DECLARATION OF SERVICE**

I, RICKY SACHAR, pursuant to 28 U.S.C. §1746, declare as follows:

1. I am a member in good standing of the bars of the state of Maryland and the District of Columbia. I am employed by Plaintiff Securities and Exchange Commission ("SEC" or "Commission") as an Assistant Director in the Division of Enforcement in the Commission's Home Office in Washington, D.C.
2. Except to the extent otherwise stated, I have personal knowledge of the matters set forth in this declaration, and, if called as a witness, I could and would competently testify under oath to the facts stated herein.
3. On December 27, 2016, this Court issued an Order Granting *Ex Parte* Application for Temporary Restraining Order and Ancillary Equitable Relief and Order to Show Cause on a Preliminary Injunction (the "Order") in this case. The Order provides for alternative service of process on Defendants Iat Hong, Bo Zheng, and Hung Chin and Relief Defendant Sou Cheng Lai, permitting the Commission to serve the Order, all documents filed in support thereof, and all other future documents to be served in this action by a number of methods. The Order expressly provides for service of Defendants Hong and Chin and Relief Defendant Lai by international express mail and service of all Defendants and Relief Defendant Lai by electronic mail.
4. As described in greater detail below, the Commission sent each Defendant and Relief Defendant, a service package containing the following documents (collectively "the Package"):

- a. The Summons individualized to the particular Defendant or Relief Defendant;
- b. The Civil Cover Sheet;
- c. The Complaint;
- d. The Securities and Exchange Commission's *Ex Parte* Application for Temporary Restraining Order and Ancillary Equitable Relief and for an Order to Show Cause on a Preliminary Injunction;
- e. The Memorandum of Law in Support of Securities and Exchange Commission's *Ex Parte* Application for Temporary Restraining Order and Ancillary Equitable Relief;
- f. The Local Rule 6.1 Declaration of Ricky Sachar in Support of Securities and Exchange Commission's *Ex Parte* Application for Temporary Restraining Order and Ancillary Equitable Relief and its supporting Exhibits;
- g. The December 27, 2016 Order Granting *Ex Parte* Application for Temporary Restraining Order and Ancillary Equitable Relief and Order to Show Cause on a Preliminary Injunction;
- h. Plaintiff Securities and Exchange Commission's *Ex Parte* Motion to Partially Seal the Record; and
- i. Order Granting Securities and Exchange Commission's *Ex Parte* Motion to File Some Exhibits Under Seal.

**Defendant Iat Hong**

- 5. On December 28, 2016, at approximately 9:00 a.m. EST, the Commission emailed Defendant Hong at his last known e-mail address: hongiat@hotmail.com. Attached to the e-mail were electronic copies of all documents in the Package, except for the exhibits supporting the Sachar Declaration. Because the exhibits were too voluminous to email as attachments, the exhibits were sent separately to hongiat@hotmail.com via a File Transfer Protocol ("FTP") link. The Commission did not receive a "bounce-back" e-mail in response to either of its emails to hongiat@hotmail.com, which indicates that the e-mail address remains active and operational.
- 6. Also on December 28, 2016, the Commission sent the Package via UPS to Defendant Hong's last known residential address: Iat Hong, Estrada De Sete Tanques, Jardins De Lisboa, EDF Vista Linda, 12 Andar C Taipa Macao, Special Administrative Region of China.
- 7. After several attempts, UPS delivered the Package to Hong's residential address on January 6, 2017. According to UPS, "[t]he receiver refused the delivery."

8. To correct a filing error, the Commission refiled the Local Rule 6.1 Declaration of Ricky Sachar in Support of Securities and Exchange Commission's *Ex Parte* Application for Temporary Restraining Order and Ancillary Equitable Relief and supporting exhibits on ECF on December 30, 2016. On January 3, 2017, the Commission provided the refiled exhibits to Defendant Hong by emailing an updated FTP link to hongiat@hotmail.com and by sending an updated disc of exhibits by UPS to Hong's last known residential address at Estrada De Sete Tanques, Jardins De Lisboa, EDF Vista Linda, 12 Andar C Taipa Macao, Special Administrative Region of China.
9. Because Defendant Hong was taken into custody in Hong Kong in connection with criminal charges brought against him by the United States Attorney's Office for the Southern District of New York, the Commission also attempted to effect service on Defendant Hong by mailing the Package to him at the location where the Commission understands that he is being held. On January 5, 2017, the Commission sent the Package by UPS to Defendant Hong at the Lai Chi Kok Reception Centre, 3/5 Butterfly Valley Road, Lai Chi Kok, Kowloon Hong Kong.

**Defendant Hung Chin**

10. On December 28, 2016, at approximately 9:10 a.m. EST, the Commission emailed Defendant Chin at his last known email address: hungchin@126.com. Attached to the email were electronic copies of all the documents in the Package, except for the exhibits supporting the Sachar Declaration. Because the exhibits were too voluminous to email as attachments, the exhibits were sent separately to hungchin@126.com via a FTP link. The Commission did not receive a "bounce-back" e-mail in response to either of its emails to hungchin@126.com, which indicates that the e-mail address remains active and operational. Further, the FTP link emailed to hungchin@126.com was opened and the files were accessed, as confirmed by a read receipt that Commission staff received on January 1, 2017.
11. Also on December 28, 2016, the Commission sent the Package via UPS to Defendant Chin's last known residential addresses: Hung Chin, Estrada De Sete Tanques, Jardins De Lisboa, EDF Vista Linda, 12 Andar C Taipa Macao, Special Administrative Region of China and Hung Chin, Flat C 46/F Block 2, The Zenith 258 Queen's Road East, Wanchai Hong Kong.
12. After several attempts, UPS delivered the Package to Chin's Macao address on January 6, 2017. According to UPS, "[t]he receiver refused the delivery."
13. To correct a filing error, the Commission refiled the Local Rule 6.1 Declaration of Ricky Sachar in Support of Securities and Exchange Commission's *Ex Parte* Application for Temporary Restraining Order and Ancillary Equitable Relief and supporting exhibits on ECF on December 30, 2016. On January 3, 2017, the Commission provided the refiled exhibits to Defendant Chin by emailing an updated FTP link to hungchin@126.com and by sending an updated disc of exhibits by UPS to Chin's last known residential addresses at Estrada De Sete Tanques, Jardins De Lisboa, EDF Vista Linda, 12 Andar C Taipa Macao, Special

Administrative Region of China and Flat C 46/F Block 2, The Zenith 258 Queen's Road East, Wanchai Hong Kong.

**Relief Defendant Sou Cheng Lai**

14. On December 28, 2016, at approximately 9:16 a.m. EST, the Commission emailed Relief Defendant at her last known email address: [souchenglai@topgroupbiz.com](mailto:souchenglai@topgroupbiz.com). Attached to the email were electronic copies of all the documents in the Package, except for the exhibits supporting the Sachar Declaration. Because the exhibits were too voluminous to email as attachments, the exhibits were sent separately to [souchenglai@topgroupbiz.com](mailto:souchenglai@topgroupbiz.com) via a FTP link. In response, the Commission received an automated response from the "topgroupbiz.com" email server stating that the Commission's email was undeliverable because no "souchenglai" account existed at that domain.
15. Also on December 28, 2016, the Commission sent the Package via UPS to Relief Defendant's last known residential address: Sou Cheng Lai, Estrada De Sete Tanques, Jardins De Lisboa, EDF Vista Linda, 12 Andar C Taipa Macao, Special Administrative Region of China.
16. UPS confirmed that the Package was delivered to Relief Defendant on January 3, 2017.
17. Relief Defendant Lai's residential address, where UPS successfully delivered the Package, is also Defendant Hong's last known residential address and one of the last known residential addresses for Defendant Chin.
18. To correct a filing error, the Commission refiled the Local Rule 6.1 Declaration of Ricky Sachar in Support of Securities and Exchange Commission's *Ex Parte* Application for Temporary Restraining Order and Ancillary Equitable Relief and supporting exhibits on ECF on December 30, 2016. On January 3, 2017, the Commission provided the refiled exhibits to Relief Defendant by sending an updated disc of exhibits by UPS to her last known residential address at Estrada De Sete Tanques, Jardins De Lisboa, EDF Vista Linda, 12 Andar C Taipa Macao, Special Administrative Region of China. This is the same address where UPS successfully delivered the original Package.

**Defendant Bo Zheng**

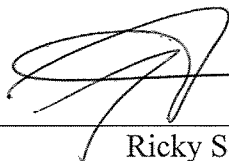
19. On December 28, 2016, at approximately 9:42 a.m. EST, the Commission emailed Defendant Zheng at his last known e-mail address: [13507400569@126.com](mailto:13507400569@126.com). Attached to the email were electronic copies of all the documents in the Package, except for the exhibits supporting the Sachar Declaration. Because the exhibits were too voluminous to email as attachments, the exhibits were sent separately to [13507400569@126.com](mailto:13507400569@126.com) via a FTP link. The Commission did not receive a "bounce-back" e-mail in response to either of its emails to [13507400569@126.com](mailto:13507400569@126.com), which indicates that the e-mail address remains active and operational.

20. Defendant Zheng's last known residential address is in the People's Republic of China ("China"). Therefore, the Commission did not attempt to effect service on Defendant Zheng by mail because China has objected to service by mail under Article 10(a) of the Hague Convention of 15 November 1965 on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters.

I declare under penalty of perjury that the foregoing is true and correct.

Executed: January 6, 2017

Washington, D.C.

  
\_\_\_\_\_  
Ricky Sachar